



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance and Performance Scrutiny

25 September 2017

WARDS AFFECTED: ALL WARDS

FINANCIAL OUTTURN JULY 2017/18

Report of Head of Finance

1. PURPOSE OF REPORT

1.1.1 Present the quarter one financial outturn position.

2. RECOMMENDATION

2.1 The reported is noted

3. BACKGROUND TO THE REPORT

3.1 In February 2017 Council approved the budget for 2017/18. The financial reports attached to this report are based on the approved budget and take into account budget movements for the first quarter and carry forward of budgets from the prior year that were approved by Council in July 2017.


3.1 Attached to this report are the monthly outturn reports including the following information for the period ending July 2017:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Capital Programme outturn by scheme

General Fund

3.2 When the budget was approved by Council in February 2017 it was anticipated that £103,715 would contributed to General Fund balances and a net £1,016,874 transferred to earmarked reserves. Since that date, the budget has been increased by £122,428, representing supplementary budgets that have been approved in line

with financial procedures rules. As at the end of July 2017, the forecast is for the General Fund to increase by an additional £260,572. This means an estimated £364,287 will be transferred to balances compared against the budgeted position of £103,715. The position as at January 2017 compared to the original budget is summarised below:

	Budgeted	Actual	Movement	Direction
Contribution to General Fund Balances	£103,715	£364,287	£260,572	

The table below shows summarise the movements between Original Budget and the estimated outturn position as at the end of July 2017.

	Outturn variances £000	Explanation
Additional budgets	(122)	To take into account latest contractual commitments
Forecast Outturn movement	361	Estimated forecast variance from Services. (See General fund attachments)
Business Rates	272	Estimated additional income from additional growth
Estimated additional Contribution to Reserves	(250)	Additional funds to be set aside to fund future expenditure (Waste Fleet)
Change in Outturn	261	Additional amount to be put into General Fund balances

- 3.3 Explanations for variances against both profiled budget and estimated outturn have been detailed in the monthly outturn reports appended. The major service variations in excess of £50,000 have be summarised as follows:

	Outturn variances £000	Explanation
General Grants	179	The Council is awarded a "section 31 grant" to reimburse the cost of offering a number of business rate exemptions.
Salary savings	147	Arising from vacant posts and staff turnover.

- 3.4 Additionally, It is estimated that an additional £272,000 will be from growth in Business Rates. As a result and additional £250,000 has been set aside to go into reserves for vehicle lease commitments.

Capital

- 3.4 £ 2,794,853 has been spent on capital schemes to the end of July 2017 against a budget for that period of £4,769,772. This represents an under-spend of £ 1,974,300. The major service variations in excess of £50,000 have been summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Leisure Centre	68	Outstanding invoices and retentions
Green Deal	484	Balance of prior years externally funded scheme. Project budget to be rephased.
The Greens	50	New play provision - Waiting for site adoption before works can commence.
Community Development Fund	221	Budget to be rephased based on grant award.
Private Sector Housing Enforcement	81	Budget to be profiled. Budget will only be required if enforcement works required.
Housing Repairs (Cumulative repairs schemes)	447	Difference represents the value of "Work in Progress" (WIP) currently sat within the Council's Orchard system. This will be transferred to the financial ledger following completion of works. The value of this WIP is being monitored on a periodic basis to ensure that the outturn on these budgets is accurately forecast.
Affordable Housing Schemes	334	Budgets to be rephased to take into account estimated commencement dates for Martinshaw Lane and Ambion Court

Housing Revenue Account

3.3 As at July 2017 it is anticipated that the HRA outturn will be £107,415 against a latest budget of £ 55,415. Major variances are explained below:-

	Outturn variances £000	Explanation
Rents	(64)	Estimated under recovery or rent due to vacant properties and additional right to buy sales.
Salary savings	22	Estimated salary savings.

3.4 The Housing Repairs Account is currently forecasted to spend £275,408 compared against the Latest budget of £255,408.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

Report taken in open session.

5. FINANCIAL IMPLICATIONS [IB]

Contained in the body of the report

6. LEGAL IMPLICATIONS [AR]

None

7. CORPORATE PLAN IMPLICATIONS

The Budget and outturn contributes to the achievement of all Corporate Plan Priorities.

8. CONSULTATION

8.1 No direct consultation

9. RISK IMPLICATIONS

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation. The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance. Sufficient levels of reserves and balances are maintained to ensure financial resilience	Julie Kenny

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no direct implications arising from this report

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Civica reports

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